

Minutes for Rule 21 Working Group Meeting #76
July 19, 2006
Pacific Gas & Electric
San Francisco, CA

There were 25 Working Group members in attendance in person or participating over the internet by Webex.

Jose Palomo, Chair

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|-----------|---------|---------------------|-----------|--------|---------------|
| Ball | Greg | PowerLight | McAuley | Art | PG&E |
| Blumer | Werner | CPUC/ED | Navarrete | Jim | SCE |
| Collins | Matthew | SCE | Newmiller | Jeff | BEW Engrg |
| Couts | George | SCE | Panora | Bob | Tecogen |
| Cummings | Fran | Mass. DG Collab. | Parks | Ken | SDG&E |
| Feero | Bill | Consultant | | | Reflective |
| Goh | Jeff | PG&E | Prabhu | Edan | Energies |
| Heinzmann | Joseph | Fuel Cell Ergy | Ross | Jim | CAC/EPUC |
| Iammarino | Mike | SDG&E | Savidge | Dylan | PG&E |
| Jackson | Jerry | PG&E | Skillman | Fred | PG&E |
| Lacy | Scott | SCE | Solt | Chuck | Lindh & Assoc |
| Larson | Rod | Bear Valley | Torribio | Gerome | SCE |
| Luke | Robin | Real Energy | Vaziri | Moh | PG&E |
| Manzuk | Chuck | SDG&E | Whitaker | Chuck | BEW Engrg |
| Mazur | Mike | 3 Phases Ergy Serv. | | | |

Combined Working Group

Housekeeping

- The first quarter DG interconnection status report from SDG&E was posted before the meeting.
- The Group adopted the Minutes from Meeting 75.
- The CEC announced that it has decided to continue funding Rule 21 Working Group.
- The next meeting of the WG will be October 4 at the CEC headquarters in Sacramento.

Rule 21 WG Continuation

Leading up to this meeting, there were indications that funding for the FOCUS team facilitating the WG was running out. However, at the beginning of the meeting, the CEC announced that funding would be continued, probably for 12 to 24 months.

- Many suggested that the WG should review its purpose and goals, and would like to provide input..
- Mike Iammarino stated that the WG effort required by the CPUC is now complete and the WG should either be disbanded or obtain a new mandate from the CPUC.

- Jose Palomo said that the CEC's extension of funding is to provide an orderly conclusion or transition.
- Joe Heinzmann noted that Fuel Cell Energy has been using the Rule 21 WG Certification process and feels there is a continuing need for an avenue to continue that activity. He also expressed his opinion that, with changing DG needs, there is a continuing need for the WG.
 - Should the WG be dissolved, PG&E suggested that the WG could arrange for another means of accomplishing certification.
- Edan requested email input towards the WG continuation issue.
 - A Webex conference will be set up for August 8, 9:00 to 11:00 to discuss how the WG should continue.
 - All participants should try to respond to Edan before the Webex meeting. Input from the conference will be provided to the CEC.
- siRod Larson (Bear Valley Electric) commented that If Rule 21 goes away, the void will be filled by lawyers, and the cost will be far greater.
- Fred Skillman (PG&E) suggested that the ongoing WG functions may best be fulfilled without the WG, using the transition period to develop an exit strategy.
- Mike Mazur (3 Phase) stated that the WG is a powerful tool to resolve issues. He wants long term availability of the resource. He feels that the existing group has a lot of value.

Bear Valley Electric

Rod Larson, a consultant to Bear Valley Electric (BVE), gave a presentation (http://www.rule21.ca.gov/previous_meetings/2006_meetings/2006-07-19_meeting_76/Bear%20Valley%20Electric_Presentation_SF_Jul19_2006.ppt) describing a situation existing in that utility's service area where a landlord/developer has constructed eight residential single-family rental homes with photovoltaic systems. Each home is metered separately but tenants living as permanent residents in Big Bear are not able to take advantage of BVE's Net Energy Metering (NEM) rate because the tenants are not responsible for the solar installations and therefore cannot sign an interconnection agreement.

Section 2827 of the PU Code specifically includes renters and tenants in the definition of Customer-Generator, but it also implies the Customer-Generator is the party owning the facility and signing the interconnection agreement. <there was also an issue of the seeming confusion in the language could be remedied by filing an Advice Letter requesting the CPUC interpret the Code to permit tenants to be NEM customers while the landlord is the party who signs the Interconnection Agreement. BVE believes such an interpretation properly places the responsibility for the solar facilities with the landlord (through a "Producer Interconnection Agreement") while permitting renters to qualifying for tariff, consistent with the intent of the enabling Legislation.

Responses from the group were generally unsupportive of BVE's proposal:

- SDG&E (Ken Parks) noted an example in their area where a retirement community has a landlord who has divided up a central solar installation to permit each resident to obtain a part of the output against their meter and as a result be able to use the NEM tariff. Each of these residents has signed an interconnection agreement even though it is unlikely they have the capability to perform the requirements. In addition, the landlord charges a fee to his tenants for the equipment.

- SCE (Jerry Torribio) has addressed a similar situation with a three-party agreement but such an arrangement does not permit the tenants to take service under NEM.
- PG&E (Jerry Jackson) is moving away from a separate agreement and will in the future propose to integrate much of the language into the NEM tariff due to simplify the administration of the rate. PG&E does not see a problem with a transient tenant taking service being responsible for the solar equipment and therefore qualifying for NEM, if the administrative burden is addressed.
- CPUC (Werner Blumer) believes the PU Code will not permit the customer to be a NEM customer unless they sign the interconnection agreement.
- Massachusetts DG (Fran) is interested in how to treat a similar circumstance in their territory.

Under existing regulations, BVE has two choices:

BVE can accept the signature of a customer on a document that they are unlikely to consider as an obligation and offer them the NEM rate or

1. BVE can obtain signatures of both the tenant and the landlord on a three-party arrangement that will obligate a responsible party, but the customer will not be able to obtain the NEM savings.

It was suggested that BVE could send an Advice Letter to the CPUC requesting the regulatory changes outlined above.

Rule 21/IEEE 1547 AVR requirements and WECC RMS:

The WG considered an apparent conflict between the WECC Reliability Management System requirement to operate CaISO Participating Generator units in voltage regulation mode, whereas the Rule 21 (and IEEE 1547) requirement forbids such operation.

The group concluded that there is no conflict.

Process Group Breakout

D.05-08-013

The remainder of the meeting was a discussion of the “Installation Cost Responsibility matrix” being developed as a means to address multiple DG tariffs at the same location. Some progress was made, but the work is not complete.

Technical Group Breakout

Fran Cummings and Bill Feero gave a brief presentation on their network protector RFP. Feero has ideas on how to modify existing NP so that they can detect the conditions that should cause the NP to trip and send a trip signal to the DR. High speed relay style communications between the DR and NP; DR will respond as to when it has tripped. Get the NP mfg to build and test so that it meets Utility criteria. Keeps responsibility and right of the utility to maintain their system. Bill thinks it should be tested at DUIT. Thinks mfgs can get prototypes in 6 -9mo ARO. RFP is on the MTC web site: masstech.org/dg/collab-reports.htm

Jeff Newmiller discussed the FCE/Satcon certification request. First time someone has submitted having tested to 1547/1547.1. Rule 21 has not modified App J or the reporting form to address the 1547.1 (and related UL1741) changes, which made review of the data and

submissions difficult. Reviewed the submitted documents and concluded that everything appears to be in order. We do need to get feedback from SDG&E and, if they agree, issue a letter saying no problems have been found and Jose should have the unit listed on the cert list. *<Later: in a phone call, Bill Cook of SDG&E noted that he had reviewed the materials and saw no reason to withhold certification from FCE>*

Thoughts from the Tech breakout for Aug 8 meeting – continuing process issues:

- What is the existing Working Group scope and how much of it is complete?
- What should the new scope be?
- Certification
- Conformance with external standards changes
- Protocol for suppliers to bring issues (e.g., interpretation) for discussion/resolution (periodic meetings would be better for suppliers). Maybe a neutral screening process for deciding what gets discussed at meetings.
- Rule changes or additions that arise due to use, new technology, new legislation, etc.

Submitted by: Chuck Solt

Approved by: Edan Prabhu